PORSCHE SE

Convenience Translation

Report of the Executive Board on Agenda Items 12 and 13

Currently, the executive board is authorized until 28 January 2015 to increase the share capital of Porsche Automobil Holding SE (the "**Company**") with the consent of the supervisory board by up to € 87.5 million by issuing at one time or on multiple times new common bearer shares or preferred bearer shares without voting rights in exchange for cash contributions or contributions in kind. This authorization has not been used to date; it is supposed to be cancelled upon the new authorization taking effect.

Proposed as a replacement for the authorization to be cancelled, the authorization for the executive board under agenda items 12 and 13 for increasing the share capital of the company with the consent of the supervisory board by up to a total of € 87.5 million by issuing at one time or multiple times new common shares or preferred shares without voting rights in exchange for cash contribution or contribution in kind proposed for resolution by the general shareholders meeting and separate resolution by the preferred shareholders pursuant to Art. 60 SE Regulation, is supposed to establish the necessary options for action by the Company in order to be able to procure equity capital in a flexible manner as needed and to use shares as consideration when acquiring enterprises or other assets.

Under the new authorization, the executive board is only authorized to issue new shares in the Company to the extent that the gross issue proceeds to be generated through this together with the gross issue proceeds from implementing the direct capital increase proposed for resolution by the general shareholders meeting under agenda items 6 and 7 and the gross issue proceeds from a possible issuance of convertible bonds, convertible participation rights or convertible profit sharing bonds under the authorization proposed for resolution under agenda items 8 and 9 do not exceed a total of € 5 billion. Shares are not to be taken into account in this regard which are issued by exercising the authorized capital to the extent that these shares are used exclusively to service conversion rights or conversion obligations under convertible bonds, convertible participation certificates or convertible profit sharing bonds. The maximum gross issue proceeds to be generated with the three instruments are, thus, limited to a total of € 5 billion. The new authorized capital is, thus, only relevant if the capital increase proposed under agenda items 6 and 7 cannot be implemented or fully implemented. In the event that the capital increase is not implemented or fully implemented at the level of the common shares, Porsche Gesellschaft m.b.H., Salzburg, has committed under certain conditions to secure the subscription of common shares to be issued under the new authorized capital having an issue volume of up to € 2.5 billion, against which, however, issue proceeds resulting from the subscription of common shares under the capital increase and of convertible bonds, convertible participation certificates or convertible profit sharing bonds having a right or obligation to convert to common shares must be credited.

When the authorized capital is used, the shareholders of the Company generally have a subscription right (§ 203 para. 1 sentence 1 in conjunction with. § 186 para. 1 German Stock Corporation Act – AktG[1]). To the extent that the shareholders are not enabled to directly subscribe to the new shares being issued, the executive board may issue new shares to one or more credit institutions with the obligation that the new shares are offered to the shareholders in accordance with their subscription rights (so-called indirect subscription right). This does not restrict the subscription right of the shareholders. In essence, the shareholders are granted the same subscription rights as in the case of a direct subscription. One or more credit institutions may only be involved due to technical reasons in the processing. If the direct capital increase proposed for resolution by the general shareholders meeting under agenda items 6 and 7 has at least been partially implemented or the executive board, with the consent of the supervisory board, has previously resolved to partially use the authorized capital or issue bonds with conversion rights or conversion obligations, the subscription price to be established when issuing new shares shall not be less than the subscription price established for that previous capital increase or the conversion price established for those bonds. This is supposed to protect the shareholders who have subscribed to shares under the previous capital increase or who have subscribed to bonds with conversion rights or conversion obligations against economic dilution resulting from a subsequent capital increase using authorized capital at a lower subscription price in which they do not wish to participate. The subscription price to be established neither can be less than an amount of € 2.

The authorization provides that the executive board, with the consent of the supervisory board, can exclude the subscription right of the holders of shares of one class of shares for the respective other class when issuing new common shares and preferred shares without voting rights (so-called “crossed exclusion of subscription rights”). However, this only applies if new shares in both classes are issued in the previously existing ratio of both classes of shares to each other. As a result of this crossed exclusion of subscription rights, the relationship of the two classes of shares, i.e. the common shares and the preferred shares without voting rights, to each other and the relative participation in the Company of the shareholders in the respective classes will be retained. The crossed exclusion of subscrip-

1 The provisions of the German Stock Corporations Act apply for the Company pursuant to Art. 9 para. 1 point c) (ii) of the Regulation (EC) no. 2157/2001 of the Council of 8 October 2001 on the Statute of the European Corporation (SE) (the "SE Regulation").

tion rights specifically accomplishes the function of the subscription right to maintain the proportionate voting and economic rights of the shareholders.

With the consent of the supervisory board, the executive board can also exclude the subscription right of the shareholders based on one or more of the following reasons:

- The executive board, with the consent of the Supervisory Board, can exclude the subscription right of the shareholders in capital increases when issuing common shares in exchange for contributions in kind. This enables the executive board to acquire enterprises, parts of enterprises, participations in enterprises or other assets (e.g. including claims directed against the Company) for the Company in exchange for granting common shares. As a result of this, the Company gains the possibility of reacting in a flexible manner to advantageous offers or other opportunities for acquiring suitable acquisition objects. The necessity to offer shares in the Company to the seller instead of money can often arise. There is often an interest on the part of the seller to have (voting) common shares in the Company, for example, in order to maintain certain influence on the object of the contribution in kind. In order to also be able to act on short notice in such situations, it is in the interests of the Company to be able to increase the share capital by issuing new common shares in exchange for contributions in kind while excluding the subscription right. As a result of acquiring claims against the Company, the financing structure of the Company can also be structured in an advantageous manner.

The authorization to exclude the subscription right when issuing common shares in exchange for contributions in kind also makes it possible to issue common shares in order to service conversion rights or conversion obligations under convertible bonds, participation rights or profit sharing bonds or a combination of these instruments (together, the “Bonds”) which are issued under the authorization proposed for resolution under agenda items 8 and 9. The new common shares would be issued in exchange for a contribution in kind, either in the form of the Bond to be contributed or in the form of the performance in kind rendered for the Bond. This increases the flexibility of the Company when servicing conversion rights and conversion obligations. The shareholders are protected by the subscription right they have when Bonds with conversion rights or conversion obligations are issued. The instances in which the subscription right for Bonds with conversion rights and conversion obligations can be excluded are explained in the report on agenda items 8 and 9.

Where possibilities for acquiring enterprises, parts of enterprises, participations in enterprises or other assets (including claims directed against the Company) and for servicing conversion rights or conversion obligations under Bonds become specific, the executive board will examine carefully in each particular case whether it will make use of the authorization for the capital increase with exclusion of the subscription right. The executive board will only exclude the subscription right of the shareholders if the acquisition in exchange for common shares in the Company is in the best interests of the Company. The issue price for the new common shares will be established in each case by the executive board with the consent of the supervisory board, while preserving the interests of the Company and its shareholders. The value of the contribution in kind must be appropriate in relation to the value of the shares being issued.

- The authorization finally provides for the possibility of excluding any fractional amounts from the subscription right of the shareholders. The exclusion of the subscription right for fractional amounts is necessary in order to be able to implement a technically feasible subscription ratio; thus, it serves to allow the authorization to be used for full amounts. The possible dilution effect is small due to the limitation to fractional amounts.

The executive board will report on the details of using the authorized capital in the general shareholders meeting which follows the use.

Stuttgart, 13 Oktober 2010
Porsche Automobil Holding SE
The Executive Board

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